

The Friends of Bennerley Viaduct

Financial Controls Policy

This Policy statement is not exhaustive and may be amended from time to time by the trustees/committee where circumstances or best practice dictate.

Financial Records and Accounts

1) Financial records must be kept so that:

The organisation meets its legal and other statutory obligations, such as Charity Acts, Her Majesty's Revenue & Customs and common law.

The trustees/committee have proper financial control of the organisation.

The organisation meets the contractual obligations and requirements of funders.

2) The books of accounts will include:

A manual or electronic cashbook (or suitable spreadsheet) analysing all the transactions appearing on the bank accounts

A petty cash book if cash payments are being made.

HMRC compliant payroll records for any employees.

3) Accounts must be drawn up at the end of each financial year within 3 months of the financial year end and presented to the next committee meeting for approval prior to presentation for adoption at the next Annual General Meeting.

4) Prior to the start of each financial year, the trustees/committee will, to the extent that it is practicable to do so, approve a budgeted income and expenditure account for the following year.

5) A report comparing actual income and expenditure with the budget should be presented to the trustees/committee every three months or whenever meetings take place.

6) The AGM will appoint two independent members (or a suitably qualified external auditor/examiner) to examine the accounts before presentation to the next AGM.

Banking

1) Unless decided otherwise at a general meeting, the organisation will bank with NatWest Bank plc at its Ilkeston Branch and accounts will be held in the name of The Friends of Bennerley Viaduct.

2) The bank mandate (list of people who can sign cheques on the organisations behalf) will always be approved and minuted by the trustees/committee as will any changes to it.

3) The organisation will require the bank to provide statements at regular intervals, either in paper form or by electronic means, and these will be reconciled with the accounting records at least every three months but preferably monthly.

4) The organisation will not use any other bank or financial institution or use overdraft facilities or loans without of the agreement of the trustees/committee.

Income

1) All monies received will be recorded promptly in the accounting records and banked without delay. The organisation will maintain files of supporting documentation to back this up.

Payments (expenditure)

- 2) The aim is to ensure that all expenditure is on the organisation's behalf and is properly authorised and that this can be demonstrated. The latest approved budget may provide the cheque signatories with authority to spend up to the budgeted expenditure, but not beyond it.
- 3) The Treasurer will be responsible for holding the cheque books (including unused and partly used cheque books) which should be kept under lock and key.
- 4) Blank cheques will NEVER be signed.
- 5) The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed.
- 6) No cheques should be signed without original documentation (see below).

Payment documentation

- 1) Every payment out of the organisation's bank account will be evidenced by an original invoice (never against a supplier's statement or final demand). That original invoice will be retained by the Treasurer and filed. The cheque signatory should ensure that it is referenced with:

Cheque number

Date cheque drawn

Amount of cheque

- 2) The only exceptions to cheques not being supported by an original invoice are Items such as advanced booking fees for a future course, deposit for a venue, VAT, etc. Here a cheque requisition form will be used and a photocopy of the cheque kept.
- 3) Payments in cash are to be avoided wherever possible.
- 6) Expenses / allowances. The organisation will, if asked, reimburse expenditure paid for personally by staff, providing:

Fares are evidenced by tickets.

Other expenditure is evidenced by original receipts.

Car mileage is based on HMRC approved scales.

No cheque signatory signs for the payment of expenses to themselves.

Cheque Signatures

- 1) Each cheque will normally be signed by either the Treasurer or Assistant Treasurer. A cheque must not be signed by the person to whom it is payable.

Other rules

- 1) The organisation does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which are likely to cost the Charity in excess of £250 must be authorised and minuted by the trustees/committee.
- 2) In exceptional circumstances such undertakings can be made with the Chairperson's approval who will then provide full details to the next meeting of the trustees/committee. (This covers such items as the new service contracts, office equipment, purchase and hire).

3) All fundraising and grant applications undertaken on behalf of the organisation will be done in the name of the organisation with the prior approval of the trustees/committee or in urgent situations the approval of the Chairperson who will provide full details to the next trustee's/committee meeting.

4) The organisation will adhere to good practice in relation to its finances at all times, e.g. when relevant it will set up and maintain an asset/equipment register stating the date of purchase, cost, serial numbers and normal location of assets/equipment. Additionally, the organisation will maintain a property record of items of significant value, with an appropriate record of their use.

Approved by the Trustees/Committee

.....Chairperson

.....Date